

From: David A Ballstadt

Subject: Study on Credit Bureaus Handling of Disputes

Date: Sep 14, 2004

Proposal: Notice of Study and Request for
Information - Fair and Accurate Credit Transactions of 2003 (FACT Act)
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Comments:

@@@I always like to start with the summary and then go into details that way the reader get's my point and then can read the rest for content.

But first I have checked my credit scores and if any CRA or credit granting company makes an unauthorized inquiry into my credit they will have the largest law suit both criminally and civil that they have ever seen.

Credit reporting agency's need to be held accountable first to the consumer and then to the government. A real time period of 30 days from inquiry to complete resolution. This has to include the original documentation that allowed the item into the credit report in the first place. Credit challenge forms that are readily available to the consumer, with all the information that is needed to research the inquiry. If the CRA does not respond in 30 days there shall be a fine of \$1,000 per item. If the response is incomplete the same fine applies. This is to be no weasel clauses that allow the CRA's from doing this.

Credit reporting agencies will not be allowed to restart the clock on resold accounts. As an example when Montgomery Wards went out of business they sold their receivables to another entity and that entity restarted the clock so that they had the full time to collect this debt. I have seen this happen 3 to 4 times on the same account. The original creditor information and the new creditor information should be contained on the credit report. This should be disallowed and that company should be fined \$25,000 per occurrence. Again the CRA's will be responsible to keep the records and make sure that the dates are not reset. They shall have the same fine.

If the 3 CRA's have sub agreements with other entities they must be disclosed and all files must be kept at the 3 CRA's they must be fully responsible for all credit reports.

Removing the Fair (unfair) Isaac Company from being used to grade credit. Each CRA

Company shall develop their own system to rate an individuals credit and the consumer will have the right to know how he or she is being graded.

After seeing the few comments that have been submitted so far I am very disappointed.

This opportunity to possibility change bad legislation is important to every one in this country. It is too bad that there has not been better communication to elicit response from the people.

Every day I work with credit for my clients. It is so sad to see so many deserving families that are being turned away from not being able to obtain a home. Or almost as bad, having to pay too much in interest or greatly reduced loan to values because of the FICO score system that is in place with the big three credit reporting agencies:

It's bad enough that it takes 2 members of a family working to make ends meet, to get screwed out of the American dream of home ownership or financing that is so onerous that they do not have the opportunity to get ahead. The difference on a good loan rate and a bad rate can be \$80,000 or more over the life of the loan.

A person that pays his bills may have a low credit score because of incorrect reporting, refusal of the CRA's to timely correct inaccuracies in a persons report, duplicate entries on the same account. Collection agency's that is able to add items to credit reports, even though they are not registered to do business in the state where the client lives. Many times I have tried to get problems corrected on client's credit reports and it takes months even if they admit that there is an error on the account. By that time my client is so upset with the system they just give up, or they give in and pay the higher interest that they do not deserve to be paying. Some have written to the FTC and have not received a response the FCRA is not being enforced at all. Big Banks and big business are running the credit process.

How can you get a credit report corrected when the big 3 have in essence sold franchises to areas of service? You make a complaint to one of them and they say they are not responsible and don't bother to tell you they have sold an area to another company. Example Experian has an agreement with Credit Data Southwest for the Arizona area the records are not even kept with Experian, no wonder the consumer can not get anything fixed, or fixed in a timely manner when there is no responsibility. Not me comes to mind it's not my responsibility is what the CRA's are saying.

Why is it that a person can file a bankruptcy and a year later have a fico score in the 700's and another individual is making all his payments, maybe not on time but is making his payments and has a 560 score. Why are the individual that filed bankruptcy rewarded and the honest individual that is trying to do the right thing being penalized? Liars can figure and figures can lie, the FICO system in my opinion falls into this category.

The fair Isaac Company and the credit companies have done a grave disservice to this great country. Profits are more important than people; this is stated in the web site of Fair Isaac. Its sole purpose was to remove the banks from their responsibility as to why they were turning down credit on a client. They have made a model that maximizes the profits of the credit granting companies, and as they (refine) their model this will continue to hurt innocent people. The Fair Isaac system does not work and will never work no matter how many mathematicians they employ. Their models are not perfect and they never will be, it is just a best guess and in that guess innocent people are getting hurt.

IP:

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